

# EXHIBIT 2

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DIVISION OF TEXAS  
TYLER DIVISION

BLUE SPIKE, LLC  
Plaintiffs, CIVIL ACTION NO.:  
vs. 6:12 CV 499 MHS  
TEXAS INSTRUMENTS, INC., et al.  
Defendant.

(THIS TRANSCRIPT IS DESIGNATED AS CONTAINING  
CONFIDENTIAL BUSINESS INFORMATION)

VIDEOTAPED DEPOSITION OF  
ALFREDO HERRERA  
DRESDEN, GERMANY  
Wednesday, March 26, 2014  
9:55 a.m.

Pages: 1 - 189

Reported by: Wanda S. Buckner, RPR, CRR

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2

Deposition of ALFREDO HERRERA,  
held at the offices of:  
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Pursuant to agreement, before Wanda S.  
Buckner, Court Reporter

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4

C O N T E N T S

EXAMINATION OF ALFREDO HERRERA	PAGE
BY MR. BRASHER	6, 183
BY MR. GOETZEL	178

E X H I B I T S

ALFREDO HERRERA DEPOSITION EXHIBITS	PAGE
1 Defendant CSG's Responses to Plaintiff's First Set of Interrogatories	11
2 Defendant CSG's Responses to Plaintiff's First Set of Requests for Production	13
3 30(b)(6) Notice of Deposition	13
4 Technology Licensing and Commercialization Agreement	83
5 Cognitec Web Page	89
6 Trade Show Web Page	95
7 Minutes of First Meeting of	

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1 **dealing with something for Asia Pacific and I -- I**  
 2 **would conduct the -- the phone conversation from**  
 3 **there.**

4 But, again, being here in Dresden, I also  
 5 call from here. I mean, most of that work is  
 6 done -- is done by phone, but also my visits to the  
 7 United States, to -- you know, to deal with some of  
 8 the matters of the Cognitec Systems Corporation.

9 **Q.** In either capacity, either with GmbH or  
 10 Corp, would you say that the majority of your time,  
 11 either over the telephone or email, is conducted  
 12 while you are here in Dresden, Germany?

13 **A. For the CSC?**

14 **Q.** For both. You testified that you speak on  
 15 the phone, sometimes you are here in Dresden,  
 16 sometimes you are in the United States, sometimes  
 17 you are traveling on the road; the majority of your  
 18 working time either with GmbH or the Corp --

19 **A. I would say it is Europe.**

20 **Q.** Is Europe?

21 **A. Probably is Europe, yeah. But I wouldn't**  
 22 **say it is Dresden. I mean, I would need to collect**  
 23 **some studies, take some (inaudible) if you want a**  
 24 **precise answer.**

25 **Q.** That is fine. But -- so you would be  
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22

1 traveling around Europe --

2 **A. Right, right.**

3 **Q.** -- at various places?

4 **A. Right.**

5 **Q.** Now, Mr. Herrera, in your own words, could  
 6 you describe to me what the corporate relationship  
 7 is between Cognitec Systems GmbH and Cognitec Corp?

8 **A. Well, in terms of ownership, the -- the**  
 9 **Cognitec Systems Corporation is -- right now is**  
 10 100 percent -- is 100 percent owned by the -- by  
 11 Cognitec Systems GmbH. So Cognitec Systems GmbH is  
 12 the -- the only shareholder within the CSC.

13 And operationalwise, we -- Cognitec  
 14 Systems Corporation has license the -- our  
 15 technology products, and has the rights and to sell  
 16 those products, commercialize those products in  
 17 North America.

18 **Q.** Does Cognitec Systems GmbH influence the  
 19 corporate policy of Cognitec Systems Corp in any  
 20 way?

21 **A. No, it doesn't.**

22 **Q.** Do any decisions of Cognitec Systems GmbH  
 23 influence the corporate policy of Cognitec Systems  
 24 Corp?

25 **MR. GOETZEL:** I'm sorry. Sounds -- I  
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1 thought that was asked and answered. Did I  
 2 miss something?

3 **MR. BRASHER:** I am just rephrasing the  
 4 question in a different way, hopefully.

5 **MR. GOETZEL:** I thought you just asked the  
 6 same thing. Sorry.

7 **BY MR. BRASHER:**

8 **Q.** Do any of the decisions that are made at  
 9 Cognitec Systems GmbH influence the corporate policy  
 10 or affect the corporate policy of Cognitec Corp?

11 **A. Indirectly, it might, but not directly,**  
 12 **not that I can think of.**

13 I mean, may I explain that? I mean,  
 14 the -- we -- the products that Cognitec Systems  
 15 Corporation is selling are being developed, and the  
 16 (Inaudible) is being developed in Germany. And I  
 17 would say the -- the success of the company depends  
 18 on some -- to an important degree, upon the -- I  
 19 mean, how good those products are.

20 So, I mean, seen that way, I would say,  
 21 well, yes, the success of the company or the  
 22 products that we are making here might have an  
 23 impact on -- on the well-being of the company, but  
 24 indirectly through the technology products that we  
 25 are offering on to -- to CSC.

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24

1 **Q.** Does Cognitec GmbH make any decisions  
 2 regarding the operations of Cognitec Systems Corp?

3 **A. No.**

4 **Q.** So all matters regarding the operations of  
 5 Cognitec Systems Corp are handled by employees of  
 6 Cognitec Systems Corp?

7 **A. Yes.**

8 May -- may I just add something to that?  
 9 I mean, the Cognitec Systems GmbH is the single  
 10 shareholder of the Cognitec Systems Corporation. So  
 11 in that capacity, obviously there are some -- some  
 12 influence on the -- on Cognitec Systems Corporation  
 13 in the capacity as a shareholder, which happens once  
 14 a year. You know, there are some -- some rights of  
 15 a shareholder to appoint the -- the director -- I  
 16 mean the president and treasury of the -- treasury  
 17 and secretary of the company; I mean, the ordinance  
 18 of the corporation are appointed by the -- by the  
 19 shareholder.

20 So in that -- in that regard, I would say  
 21 indirectly, yes, but it is not on an operational  
 22 basis. Not on the -- on the daily policies, on the  
 23 hiring, or which customers we should be talking to,  
 24 there is not -- GmbH is not involved in that, not at  
 25 all.

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1 **Q.** And who are the corporate officers or  
2 directors of Cognitec Systems GMBH?  
3 **A. That would be me. I am -- I am the**  
4 **managing director, the only director of Cognitec**  
5 **Systems GmbH.**  
6 **Q.** So you are the sole director of Cognitec  
7 Systems GmbH?  
8 **A. I have already said that at the very**  
9 **beginning, I think.**  
10 **Q.** So just to confirm, you are the sole  
11 director of Cognitec Systems GmbH?  
12 **A. It depends. I mean, in Germany, this is a**  
13 **different name. I would like to stick to that.**  
14 It's geschaeftsfuehrer. I don't know if  
15 "Director" -- I don't think that "director" --  
16 personally, I don't think "director" is the right  
17 word to describe that, because a director within a  
18 corporation in the United States has different  
19 duties than a Geschaeftsfuehrer in Germany. So I am  
20 only the Geschaeftsfuehrer, in German, yes, I am.  
21 **Q.** Okay.  
22 MR. GOETZEL: May I ask the translator,  
23 Geschaeftsfuehrer?  
24 TRANSLATOR: Yes. I would really call  
25 that the CEO, CEO of the company.  
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26  
1 Geschaeftsfuehrer is the highest position in  
2 the company, so I would compare that -- I don't  
3 know if it's direct comparison, but the CEO  
4 really would be Geschaeftsfuehrer.  
5 THE WITNESS: I think an analogy to a  
6 corporation in the United States more than AG.  
7 In an AG you have forstunt (phonetic). And  
8 within the forstunt you have the directors --  
9 TRANSLATOR: And they are directors in  
10 American companies as well.  
11 THE WITNESS: Right, but we are not an AG.  
12 We are not an AG. We are a GmbH.  
13 TRANSLATOR: No, this is not a director.  
14 Right. Right. So I would -- if I had to -- if  
15 I had to translate "Geschaeftsfuehrer," in that  
16 sense, it would be the CEO who makes all of the  
17 decisions in the American company.  
18 BY MR. BRASHER:  
19 **Q.** Apart from that stipulation that you are  
20 not an AG, does that seem correct to you?  
21 **A. That's an opinion, that's an opinion in**  
22 **translation. I --**  
23 TRANSLATOR: Chief executive officer,  
24 that's the highest position in American  
25 corporations.  
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27  
1 THE WITNESS: Right, right. But, again,  
2 this is an opinion about translation. I -- I  
3 would clarify -- I mean, there are some -- some  
4 nuances to that. A CEO -- within the GmbH  
5 would have a CEO.  
6 TRANSLATOR: I understand that, but --  
7 THE WITNESS: Right, I would say the  
8 difference between CEO and a forstunt, in the  
9 forstunt position. Again, I -- that is not --  
10 I mean, I -- I would describe myself as CEO,  
11 but this is -- you know, this is -- legally, it  
12 is not a -- it's not a one-to-one map between,  
13 you know, CEO and a Geschaeftsfuehrer in  
14 Germany. But that's -- I just wanted to be  
15 precise.  
16 BY MR. BRASHER:  
17 **Q.** I appreciate that, thank you.  
18 And who are the principal managers of  
19 Cognitec Systems GmbH?  
20 **A. Dr. Jurgen Pampus, he is responsible for**  
21 **marketing and sales within the GmbH.**  
22 Michael Mueller is director of software  
23 development.  
24 Frank Weber, Weber, is director of  
25 algorithm development.  
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28  
1 Andreas Jeglinsky is responsible for  
2 accounting and financing within the company.  
3 And Stefan Christ is responsible for  
4 customer service.  
5 **Q.** Stefan?  
6 **A. Christ, is responsible for customer**  
7 **service. So those are the pilots of -- of the**  
8 **company.**  
9 **Q.** Do any of these named individuals hold  
10 positions or are they employed by Cognitec Systems  
11 Corp?  
12 **A. No.**  
13 **Q.** Have any of them ever held positions with  
14 or been employed by Cognitec Systems Corp?  
15 **A. No.**  
16 **Q.** Apart from your stipulation earlier  
17 regarding the products that Cognitec GmbH produces,  
18 do any of the things that these individuals do  
19 influence Corp -- Cognitec Systems Corp? For  
20 instance, if I can be more specific, let me  
21 rephrase.  
22 Dr. Pampus --  
23 **A. Pampus, yes.**  
24 **Q.** -- is in charge of marketing and sales,  
25 correct? Do any of his decisions regarding  
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1 either of those Web sites?

2 **A. No.**

3 **Q.** Are customers directed to call or contact  
4 any individuals on those Web sites if they have  
5 questions about purchasing products or support of  
6 those products?

7 **A. We provide information for them to call an**  
8 **office, and depending upon the area, in the area,**  
9 **and we have that information on the Web site, and**  
10 **yes. But not an individual, we don't have named**  
11 **individuals there. That's the way...**

12 **Q.** So on the Web site, depending on your  
13 region, there is different contact information for  
14 potential customers?

15 **A. No, the contact information is put in an**  
16 **aggregated form. You know, if you -- I mean, for**  
17 **the U.S., for Germany and -- and Australia.**

18 **Q.** When you say in aggregated form, how do  
19 you mean?

20 **A. I just wanted to make a statement that**  
21 **it -- that the Web site -- well, it is just listed**  
22 **there, that is what I meant. It is aggregated. I**  
23 **mean, for the U.S. you call this number, 175; for**  
24 **Germany, plus 49; for Asia Pacific, plus 63. And**  
25 **then they get a number.**

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58

1 **Q.** Okay. Thank you.

2 MR. GOETZEL: At some point when you are  
3 ready, could we take a break? We have been  
4 going for a little over an hour. Just whenever  
5 you get to a stopping point.

6 MR. BRASHER: This is a good stopping  
7 point.

8 We are taking a short break. The  
9 time is 11:14 a.m. and we are going off the  
10 record.

11 (A recess was taken.)

12 MR. BRASHER: Okay. We are back on the  
13 record. The time is 11:23 a.m.

14 BY MR. BRASHER:

15 **Q.** So as stated previously, you are the sole  
16 officer and director of CSC?

17 MR. GOETZEL: Objection. Asked and  
18 answered.

19 THE WITNESS: I am the president, treasury  
20 and secretary of the CSC.

21 BY MR. BRASHER:

22 **Q.** Who are the principal managers or  
23 supervisors at CSC?

24 **A. In my capacity at CSC, I deal with Roger**  
25 **Kelesoglu who is taking care of marketing in the**  
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1 **States for CSC, and with Brendan Collins who is**  
2 **managing customer service for the United States.**

3 **Q.** Brendan?

4 **A. Brendan Collins.**

5 **Q.** Brendan Collins.

6 **A. Collins.**

7 **Q.** And he is in charge of --

8 **A. Customer service.**

9 **Q.** Customer service.

10 **A. He is the technical arm of the -- of the**  
11 **corporation.**

12 **Q.** So he handles technical issues or problems  
13 that customers may have with the product?

14 **A. Yes.**

15 **Q.** Do either of those individuals hold  
16 positions or work for Cognitec GmbH?

17 **A. No.**

18 **Q.** Have any of them ever held positions with  
19 Cognitec GmbH?

20 **A. No.**

21 **Q.** Do they -- in the course of their work, do  
22 they interact with or engage with members of  
23 Cognitec Systems GmbH or employees of Cognitec  
24 Systems GmbH?

25 **A. Yes, they do.**

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60

1 **Q.** With regard to Mr. Kelesoglu, in what ways  
2 does he interact with employees of Cognitec Systems  
3 GmbH?

4 **A. He interacts with Dr. Jurgen Pampus**  
5 **discussing market trends, discussing value of our**  
6 **position of our products, cooperating with -- but**  
7 **also with -- not also just with Jurgen Pampus, but**  
8 **also with Asia Pacific, with the sales director of**  
9 **Asia Pacific.**

10 **Q.** So Mr. Kelesoglu communicates with the  
11 director of sales for Asia Pacific?

12 **A. He might be, yeah. Right, so...**

13 **Q.** Do Mr. Kelesoglu and Dr. Pampus coordinate  
14 in any regard for the marketing of the products?

15 **A. They talk to each other, they have to talk**  
16 **to each other to understand value proposition, and**  
17 **that is part of the feedback that I was talking**  
18 **about, that comes from -- from Roger Kelesoglu to**  
19 **enhance work products in marketing material.**

20 **Q.** Does Mr. Kelesoglu -- I'm sorry, did you  
21 want to add anything else?

22 **A. To enhance the marketing materials that**  
23 **are being used by the -- by the corporation, yes.**

24 **Q.** With regard to those marketing materials,  
25 they are used by CSC?

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1 subsidiaries in the United States and Asia Pacific  
2 to -- companies to sell -- to sell and commercialize  
3 those products in the different regions.

4 Q. So Cognitec Systems GmbH is in the  
5 business of developing software, facial recognition  
6 software, and selling that around the world?

7 A. Not only software.

8 Q. What else does it sell?

9 A. Well, it might contain some hardware.

10 Might contain -- the products that we're selling  
11 might contain -- might contain some -- some  
12 hardware.

13 Q. Hardware?

14 A. Yeah.

15 Q. What hardware does it contain? It -- you  
16 said it might contain hardware. What hardware would  
17 it contain?

18 A. Metal.

19 Q. Mail?

20 A. Metal.

21 Q. Oh, metal.

22 A. That is hardware. Make chassis of  
23 equipment with computers inside.

24 Q. What actual equipment does Cognitec GmbH  
25 produce?

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1 be. So there -- we got partners that are using that  
2 prototype in the guard systems, and they are doing  
3 business development with them.

4 Q. And those partners are located in Europe?

5 A. Yes, they are. Basically they are  
6 customers of ours.

7 Q. Where are Cognitec GmbH's offices and  
8 branches located?

9 A. GmbH offices, we have an office here in  
10 Dresden and we have some home offices.

11 Q. By home offices, you mean employees that  
12 work from home?

13 A. From home, right, in Germany.

14 Q. You said that Cognitec GmbH was  
15 established in 2002?

16 A. 2003, I think. We started GmbH in 2003.

17 Q. GmbH was established in 2003?

18 A. In 2002, I think, yeah.

19 Q. 2002 or 2003, you are not sure on the  
20 date?

21 A. I don't know. That's -- 2000 --

22 MR. GOETZEL: If you know.

23 THE WITNESS: I don't -- could be one of  
24 those. Probably 2002.

25 BY MR. BRASHER:

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1 A. GmbH produces -- right now we have a  
2 product for border access control. And that is a  
3 unit that contains hardware to check -- hardware and  
4 software to check the validity of passengers when  
5 crossing the border.

6 Q. Is that the only hardware that Cognitec  
7 Systems GmbH produces right now?

8 A. Well, that is not hardware. That is a  
9 product that contains software and hardware.

10 Q. So what other hardware does Cognitec  
11 Systems GmbH currently produce right now?

12 A. When I describe the product I said that is  
13 a product that contains software and hardware. I  
14 didn't describe that as being only hardware.

15 Q. Right. So are there any other products  
16 that are software and hardware that --

17 A. Not yet. That is the only product right  
18 now that we sell that contains -- that is a  
19 combination of software and hardware.

20 Q. And where currently is that product  
21 implemented, where is it used?

22 A. That product is being used in -- in  
23 Germany by the border patrol.

24 Q. Is it used anywhere else?

25 A. For -- the Heike Hotel (phonetic). Might

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1 Q. Was --

2 A. That is where I was confused.

3 Q. -- Cognitec GmbH established before CSC?

4 A. Yes. It was in 2002, I think.

5 Q. And -- and CSC was established in 2003?

6 A. The exact date, I think it was October of  
7 2003, and the corporation was 2002. It could be one  
8 day -- one year off, but...

9 MR. GOETZEL: Sorry, you said the  
10 corporation was 2002? You mean --

11 THE WITNESS: No, the corporation was  
12 two-thousand -- October 2003, I think, to the  
13 best of my knowledge, and then we started the  
14 operation then in 2004. First-time operation,  
15 kick-off operation, but the foundation of the  
16 company was 2003, I think.

17 To the best of my knowledge, the  
18 Cognitec Systems GmbH was founded 2002, then  
19 October 2003 we founded the company.

20 MR. GOETZEL: CSC?

21 THE WITNESS: CSC, Cognitec Systems  
22 Corporation, the company you asked about, in --  
23 yeah.

24 BY MR. BRASHER:

25 Q. You said operations for CSC began in 2004?

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1 **A. It was three months. We founded the**  
2 **company, I think January we kicked off operations.**  
3 **Q.** Okay. Now, I believe you stated earlier  
4 that Cognitec Systems GmbH established CSC, is that  
5 correct?  
6 **A. Together with Felipe. The foundation of**  
7 **Cognitec Systems Corporation was -- we had two**  
8 **shareholders.**  
9 **Q.** What was the percentage of shares owned by  
10 Felipe and GmbH, to the best of your knowledge?  
11 **A. I think Felipe had 3 percent and the GmbH**  
12 **had 97 percent of the shares of Cognitec Systems**  
13 **Corporation at the time of founding.**  
14 **Q.** You said at the time of founding that was  
15 the situation. What is it now?  
16 **A. Now it is 100 percent owned by the GmbH.**  
17 **Q.** What is it that Cognitec Systems Corp  
18 does?  
19 **A. Cognitec Systems has license, Cognitec**  
20 **Systems GmbH products, it sells those products,**  
21 **commercializes those products in the -- in North**  
22 **America.**  
23 **Q.** Does it do anything else?  
24 **A. That is the major goal of the company,**  
25 **yeah, that's the sense of the company.**  
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1 **Q.** What are the more minor parts of the  
2 company, minor goals of the company?  
3 **A. No, that is the only goal.**  
4 **Q.** So CSC doesn't sell the products of any  
5 other company?  
6 **A. It does.**  
7 **Q.** What products are those?  
8 **A. We buy computers, and CSC, Cognitec**  
9 **Systems Corporation, buy computers from Dell, HP,**  
10 **some other companies, combine those computers with**  
11 **the software that has license from Cognitec Systems**  
12 **GmbH, and might sell those, and actually are selling**  
13 **those.**  
14 Cognitec Systems Corporation buys cameras,  
15 combine those cameras with computers and the  
16 software license by Cognitec Systems GmbH and sells  
17 those products. So in that sense, it sells other  
18 products.  
19 **Q.** So CSC buys or purchases equipment from  
20 other companies, combines it with the GmbH's  
21 software and then sells it?  
22 **A. Equipment or software products. I would**  
23 **say products, not only equipment, but also data**  
24 **bases, operating systems, all the kind of software**  
25 **that goes into, you know, a combined product**  
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1 **consisting of Cognitive Systems GmbH software with**  
2 **peripherals, all the things that are required to**  
3 **deploy this other product, and might sell that,**  
4 **selling that.**  
5 **Q.** Who combines the products? Who puts the  
6 product together?  
7 **A. Which products are you talking about?**  
8 **Q.** Referencing the hardware, the computers,  
9 and the software, the databases, operating systems  
10 that they purchase, who combines the -- GmbH's  
11 products with that hardware in order to sell it?  
12 **A. Employees of Cognitec Systems Corporation.**  
13 **Q.** Do employees of Cognitec Systems  
14 Corporation receive any training in regard to  
15 operation, maintenance and use of GmbH's products?  
16 **A. Yes, they do.**  
17 **Q.** Where does that training take place?  
18 **A. Both, sometimes here in Germany, sometimes**  
19 **in the United States.**  
20 **Q.** When it takes place here in the United  
21 States --  
22 **A. Here is Germany.**  
23 **Q.** My apologies, yes. When it takes place  
24 here in Germany, who pays for the training?  
25 **A. Well, that is covered by the license**  
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1 **agreement. Actually, the CSC is paying for -- for**  
2 **that training, that support. That is part of the**  
3 **license agreement that we have in place.**  
4 **Q.** CSC pays for all training of  
5 CSC employees?  
6 **A. Through the licensing agreement that we**  
7 **have in place.**  
8 **Q.** Just to be clear, the only payment that  
9 CSC gives to GmbH for that training is the payment  
10 through the licensing agreement?  
11 **A. The licensing -- if I would have to answer**  
12 **that question, I would say no.**  
13 **Q.** Can I restate it? You said that -- I  
14 believe, correct me if I'm wrong -- that CSC pays  
15 for the training through the license agreement or it  
16 is covered by the license agreement?  
17 **A. That is what I said, right. That's what I**  
18 **said.**  
19 **Q.** What did you mean that it is covered by  
20 the license agreement?  
21 **A. The license agreement establish that**  
22 **the -- for the license that we're using from the --**  
23 **for all the sales, all the revenues of Cognitec**  
24 **Systems Corporation, the GmbH is receiving a portion**  
25 **of those sales. Not only the -- not only the**  
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1 access to that account?  
 2 MR. BRASHER: Not including him, is what I  
 3 was intending to say.  
 4 MR. GOETZEL: Okay.  
 5 BY MR. BRASHER:  
 6 **Q.** And so the JP Morgan account is used for  
 7 operations, the Berenberg Bank accounts, the first  
 8 two, there's one that is marked USD, which I assume  
 9 means U.S. dollar, and the other is marked euro.  
 10 What are those used for?  
 11 **A. Those are not fixed CDs, fixed deposits,**  
 12 **but it is just what you need in order to keep the**  
 13 **money in that account. It is just the current --**  
 14 **current accounts. That is why it is little cash**  
 15 **there, relatively little cash there.**  
 16 Berenberg, we are using the Berenberg Bank  
 17 for the CSC, basically only to have deposit --  
 18 deposit the money in a safe way. The securities  
 19 that we are getting in those accounts is larger than  
 20 what we get in the United States, so we have  
 21 secured, you know, to some degree, the money that  
 22 way. And that's what we're using the Berenberg Bank  
 23 mostly for.  
 24 **Q.** Thank you.  
 25 **A. Other than that, we have the two -- we**  
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178  
 1 **have the JP Morgan accounts and the Executive**  
 2 **National Bank as well, in the United States.**  
 3 **Q.** Great, thank you.  
 4 (Off-the-record.)  
 5 BY MR. BRASHER:  
 6 **Q.** In your capacity as the managing director  
 7 of Cognitec Systems GmbH, how often have you or has  
 8 Cognitec Systems GmbH received dividends, or if any,  
 9 from CSC?  
 10 **A. Never.**  
 11 **Q.** CSC has never paid any dividends?  
 12 **A. No.**  
 13 **Q.** Of any kind?  
 14 **A. No.**  
 15 MR. BRASHER: Thank you. At this time I  
 16 have finished with my questioning. Counsel, do  
 17 you have any? Unless you want to take a break?  
 18 MR. GOETZEL: Let's take a short break.  
 19 MR. BRASHER: The time is 3:40 p.m. We  
 20 are going off the record.  
 21 (Off-the-record.)  
 22 MR. BRASHER: We are back on the record.  
 23 The time is 3:57 p.m., and Mr. Goetzel is going  
 24 to ask you some questions.  
 25 EXAMINATION  
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179  
 1 BY MR. GOETZEL:  
 2 **Q.** Mr. Herrera, I just have a few questions.  
 3 Is Cognitec Systems Corporation incorporated?  
 4 **A. Yes.**  
 5 **Q.** I'm going to refer to it as CSC, okay?  
 6 **A. Okay.**  
 7 **Q.** Where is it incorporated?  
 8 **A. CSC is incorporated in Delaware.**  
 9 **Q.** Where is CSC located?  
 10 **A. CSC has offices in Rockland,**  
 11 **Massachusetts, and Miami, Florida.**  
 12 **Q.** Does CSC hold shareholder meetings?  
 13 **A. Yes, it does.**  
 14 **Q.** Does it hold board of director meetings?  
 15 **A. Yes, it does.**  
 16 **Q.** Has it done so since the date that it was  
 17 incorporated?  
 18 **A. I think so.**  
 19 **Q.** Does CSC have an accounting system?  
 20 **A. It has.**  
 21 **Q.** Does it keep its own books?  
 22 **A. It has -- it does.**  
 23 **Q.** Does CSC have its own bank accounts?  
 24 **A. CSC has its own bank accounts, yes.**  
 25 **Q.** Are those bank accounts separate from any  
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180  
 1 GmbH bank accounts?  
 2 **A. Those bank accounts are exclusively for**  
 3 **the CSC.**  
 4 **Q.** Does CSC prepare a budget every year?  
 5 **A. Yes.**  
 6 **Q.** And is that what you discussed earlier  
 7 with respect to preparing a budget and then that is  
 8 later consolidated?  
 9 **A. That is the budget that the president of**  
 10 **CSC provides to the -- to its shareholders.**  
 11 **Q.** Does CSC prepare an employee handbook?  
 12 **A. Yes, it did.**  
 13 **Q.** Did Cognitec Systems GmbH have any say or  
 14 any direction into the CSC employee handbook?  
 15 **A. No.**  
 16 **Q.** Does CSC handle its own payroll?  
 17 **A. It does.**  
 18 **Q.** Is that through ADP?  
 19 **A. That's with ADP, yes.**  
 20 **Q.** Does Cognitec Systems GmbH pay any  
 21 employees of CSC?  
 22 **A. No.**  
 23 **Q.** Has Cognitec Systems GmbH ever paid any  
 24 employees of CSC?  
 25 **A. No.**  
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181

1 Q. Do any GmbH employees work for CSC?

2 A. **Other than me, no.**

3 Q. Does CSC have any insurance?

4 A. **It has.**

5 Q. Who pays for that insurance?

6 A. **CSC.**

7 Q. Does CSC have a real estate lease?

8 A. **It has.**

9 Q. Who signed that lease?

10 A. **I think Felipe did for some, and then I**

11 **did for some of the offices.**

12 Q. Who is responsible for payment of that

13 lease?

14 A. **CSC.**

15 Q. Has Cognitec Systems GmbH ever paid the

16 rent for CSC?

17 A. **No.**

18 Q. Does CSC attend trade shows?

19 A. **Yes.**

20 Q. Who pays for CSC's attendance to those

21 trade shows?

22 A. **CSC.**

23 Q. Does CSC have any utility bills, such as

24 electricity or telephone?

25 A. **Yes, they have.**

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182

1 Q. Who pays for those type of utility bills?

2 A. **CSC.**

3 Q. Has the GmbH ever paid for any of those

4 type of utility bills?

5 A. **No.**

6 Q. Does Cognitec Systems GmbH hire or fire

7 any CSC employees?

8 A. **No.**

9 Q. Has it ever?

10 A. **No, never.**

11 Q. Does Cognitec Systems GmbH control any of

12 the daily activities of CSC?

13 A. **No.**

14 Q. Has it ever?

15 A. **Never, never done it.**

16 Q. Does Cognitec Systems GmbH control any of

17 the general policies of CSC?

18 A. **No.**

19 Q. Has it ever?

20 A. **No, never.**

21 Q. Does Cognitec Systems GmbH have any

22 contact with CSC customers?

23 A. **No.**

24 Q. Has it ever?

25 A. **Contact with CSC customers? Not as**

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183

1 **customers, no.**

2 Q. Does CSC have freedom to operate with its

3 customers?

4 A. **Yes, they have.**

5 MR. GOETZEL: I pass the witness.

6 EXAMINATION

7 BY MR. BRASHER:

8 Q. Just a few follow-up questions.

9 You said that CSC has offices in Rockland,

10 Massachusetts?

11 A. **Yes.**

12 Q. And is CSC registered to do business in

13 the state of Massachusetts?

14 A. **I think so, yes.**

15 Q. It is registered with the Secretary of

16 State, to the best of your knowledge?

17 A. **I think so. We instructed our lawyers to**

18 **do so, right.**

19 Q. With regard to the trade shows that CSC

20 engages in, do any GmbH employees attend those trade

21 shows side-by-side with CSC employees?

22 A. **Not side-by-side. So they might -- not**

23 **side-by-side, no.**

24 Q. In what capacity might they attend those

25 trade shows? And by "they," I am referring to

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184

1 employee of Cognitec Systems GmbH.

2 A. **I don't know -- like I said, in the past I**

3 **know that employees of Cognitec Systems PLT have**

4 **visited trade shows and have showed the same**

5 **products to customers of Cognitec Systems PLT. That**

6 **is actually what I was referring to.**

7 Q. I am referring just to CSC in the United

8 States, the trade show that CSC attends in the

9 United States, have any GmbH employees also attended

10 those in order to market and sell GmbH products?

11 A. **No.**

12 MR. BRASHER: I am finished with my

13 examination. Do you have any other questions

14 you'd like to ask?

15 MR. GOETZEL: We will reserve our

16 questions until later on in the proceeding.

17 MR. BRASHER: At this time we are finished

18 with the proceeding. We will leave it open for

19 any unclear questions or unprovided documents

20 that we discussed today that may or may not be

21 available or provided for.

22 Mrs. Buckner, you have a request?

23 COURT REPORTER: Yes. I need to get on

24 the record if you both want a transcript?

25 MR. GOETZEL: Yes, I do.

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